

AN ACT

RELATING TO HEALTH CARE DATA; ESTABLISHING STANDARDS FOR
HEALTH CARE DATA AND ELECTRONIC DATA EXCHANGE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE. -- This act may be cited as the
"Health Data and Exchange Standards Act".

Section 2. PURPOSE. -- The purpose of the Health Data
and Exchange Standards Act is to improve the efficiency and
effectiveness of the health care system and state government
by establishing data and electronic exchange standards for
health data and information, promote data sharing among state
agencies, reduce redundant data entry and duplicate
databases, streamline reporting to state agencies by the
private sector, reduce health care administrative expenses
and promote the appropriate exchange of information for
improved care.

Section 3. DEFINITIONS. -- As used in the Health Data
and Exchange Standards Act:

A. "chief information officer" means the chief
information officer of the office on information and
communication management;

B. "commission" means the New Mexico health
policy commission;

C. "electronic data interchange or data exchange"

means the computer-to-computer exchange of strictly formatted messages;

D. "health care clearinghouse" means a public or private entity that processes or facilitates the processing of nonstandard data elements of health information into standard data elements;

E. "health care facility" means a facility licensed by the department of health under its authority provided pursuant to Section 24-1-3 NMSA 1978;

F. "health data or information" means any data or information, regardless of its form or medium that:

(1) is created or received by a health care provider, health care facility, health plan, state or political subdivision, employer, life insurer, school, university or health care clearinghouse; and

(2) relates to the physical or mental health or condition of a person, the provision of health care or payment for health care to a person;

G. "person" means an individual or other legal entity, including the state or a department, agency, institution or political subdivision of the state; and

H. "standard-setting organization" means an organization accredited by the American national standards institute, including the national council for prescription drug programs, that develops standards for information

transactions, data elements or any other standard used in the implementation of the Health Data and Exchange Standards Act.

Section 4. HEALTH DATA STANDARDS--APPLICABILITY. --

A. Standards adopted pursuant to the Health Data and Exchange Standards Act shall apply to the data and the exchange of data between the following:

- (1) licensed health care providers;
- (2) licensed health care facilities;
- (3) entities licensed as health insurance entities by the department of insurance;
- (4) a group health plan, if the plan has fifty or more participants or if it is administered by an entity other than the employer who established and maintains the plan;
- (5) state and political subdivisions paying for or providing health services or collecting health data and information; and
- (6) health care clearinghouses.

B. Data definition standards and data exchange standards adopted pursuant to the Health Data and Exchange Standards Act shall apply to the following data exchanges:

- (1) health claims or equivalent encounter information;
- (2) enrollment and disenrollment in a health plan;

- (3) eligibility for a health plan;
- (4) health care payment and remittance;
- (5) health plan premium payments;
- (6) first report of injury;
- (7) referral certification and authorization;
- (8) required reporting of health data and information to the state;
- (9) electronic transmission of medical records;
- (10) retrieval by the public or other nonstate government entity of health data maintained by government; and
- (11) other clinical, financial or administrative exchanges of health or health-related data established by the commission by regulation.

C. A person shall be considered in compliance with the Health Data and Exchange Standards Act by submitting nonstandard data elements to a health care clearinghouse for processing into standard data elements and transmission by the health care clearinghouse.

D. Standards adopted pursuant to the Health Data and Exchange Standards Act are applicable to data and the exchange and retrieval of information between entities, including state departments and agencies, but shall not

supersede department or agency standards and policies for data, exchange and retrieval within departments or agencies.

Section 5. DATA STANDARDS--ESTABLISHMENT.--

A. No later than January 1, 2000, the commission shall adopt standard health care data definitions and establish a health data dictionary and electronic data exchange standards for health data.

B. In adopting the standard health care data definitions and electronic data interchange standard for health data, the commission shall:

(1) incorporate those standards required and established pursuant to the federal Health Insurance Portability and Accountability Act of 1996;

(2) review and take into consideration public and private functional data dictionaries and electronic data interchange standards currently in use;

(3) consult with the health information alliance and the health information system advisory committee memberships;

(4) except as provided for in Subsection C of this section, use standards that have been developed or adopted by a standard-setting organization; and

(5) seek advice from the chief information officer and others with technical and health care industry expertise.

C. The commission may adopt a standard that is different from any standard developed or adopted by a standard-setting organization if:

(1) the different standard will substantially reduce costs to health care providers, health insurers or the government compared to the alternative;

(2) the different standard will minimize the need for redundant data reporting to state government by the private sector or redundant data maintenance by government or substantially improve the appropriate exchange of data to enhance information as an asset;

(3) no standard-setting organization has developed, adopted or modified any standard relating to a standard that the commission is authorized or required to adopt under the Health Data and Exchange Standards Act; or

(4) the different standard is required to comply with the purpose of the Health Data and Exchange Standards Act; and

(5) the standard is promulgated in accordance with the commission's procedures for promulgating regulations.

Section 6. IMPLEMENTATION. --

A. Except as provided in Subsection B of this section, standards adopted by the commission shall be implemented by January 1, 2002.

B. The commission, after consultation with the chief information officer and the department of insurance, may grant a temporary waiver of compliance with provisions of the Health Data and Exchange Standards Act if the requestor can demonstrate proof of inability to comply due to no fault of its own or if compliance would impose a substantial burden that outweighs the benefit to the health care system in New Mexico.

Section 7. STANDARD MODIFICATIONS. --The commission shall establish procedures for the routine review, modification, enhancement and expansion of the standards.

Section 8. EFFECTIVE DATE. --The effective date of the provisions of this act is July 1, 1998. _____